



Resubordination Process for CalHFA Junior Loans

CalHFA will permit the resubordination of existing CalHFA junior loans if homeowners meet certain eligibility requirements. By permitting resubordinations, CalHFA will allow existing homeowners the opportunity to take advantage of refinancing their existing first mortgage, without being forced to pay off their existing CalHFA junior loan(s).

Eligible CalHFA junior loans include the following:

- California Homebuyer's Downpayment Assistance Program (CHDAP)
- CalHFA Housing Assistance Program (CHAP)
- High Cost Area Home Purchase Assistance Program (HiCAP)
- Extra Credit Teacher Program (ECTP)
- Homeownership in Revitalization Area Program (HIRAP)
- Zero Interest Program (ZIP) & (ZIP Extra)
- MyHome Assistance Program (MyHome)

Homeowners with a Keep Your Home California (KYHC) junior loan should contact KYHC directly at 888.954.5337 or go to www.KeepYourHomeCalifornia.org/payoff.htm for complete resubordination requirements.

Resubordination Requirements:

- The borrower must meet CalHFA's resubordination requirements as listed below
- A non-refundable processing fee of \$150 is due at time of submission (Only certified funds will be accepted)

New First Mortgage Loan Requirements:

- The loan must be underwritten and approved by the new lender in accordance with loan programs that refinance the unpaid principal balance of the existing first mortgage loan (no-cash-out refinance)
- The new first loan must lower the borrower's mortgage payment or replace the existing first loan with a more stable product

Borrower Requirements:

- Insufficient funds to pay off existing CalHFA junior loan balance and still have sufficient reserves
 - Borrower(s) to complete Borrower Available Funds Affidavit

Property Eligibility Criteria:

- The property must be the borrower's principal residence
- Properties encumbered by an additional tax lien as the result of PACE/HERO loans are not eligible for resubordination.

Submission Documentation:

Requests for resubordination of existing junior loan(s) must be submitted to CalHFA in the following stacking order: (see attached Resubordination Submission Checklist)

- Application for Resubordination
- Self Addressed/Pre-paid shipping label
- Uniform Underwriting and Transmittal Summary (1008), FHA Loan Underwriting and Transmittal Summary (HUD 92900-LT) or VA Loan Analysis as applicable for the new loan (Must be signed by underwriter and include CHUMS # for FHA)
- Uniform Residential Loan Application (1003) - Signed by borrower(s)
- Borrower Available Funds Affidavit
- Borrower's most recent mortgage account statement
- Copy of preliminary title report

CalHFA reserves the right to request additional documentation as deemed appropriate.

How to Apply:

To submit application and required documents, please contact CalHFA at subordinations@calhfa.ca.gov for instructions. Packages will only be accepted electronically by CalHFA effective February 1, 2017.

Upon receipt of a completed package & \$150 processing fee check (certified funds only), CalHFA will:

- Review for compliance with CalHFA Loan Resubordination Underwriting Guidelines.
- Send final decision to lender listed on application form.
- Send an original executed and notarized Subordination Agreement and Escrow Instructions to the Escrow Company if application is approved. This document will be sent regular mail unless a self-addressed/prepaid overnight courier service label is provided in application package.

Questions:

Please contact Single Family Special Programs at 916.326.8693



Resubordination Submission Checklist

PLEASE SUBMIT IN THE FOLLOWING STACKING ORDER

To Apply: Please contact CalHFA at Subordinations@CalHFA.ca.gov for instructions on how to submit resubordination application packages electronically.

<input type="checkbox"/>	Application for Resubordination. Only one application is required when applying for resubordination of one or more CalHFA junior loans. List all CalHFA junior loan #s on application.
<input type="checkbox"/>	Self-Addressed/Prepaid overnight courier service label/envelope. If application is approved, Resubordination Agreement and Escrow Instructions will be sent by regular mail to the Title Company if overnight courier service label/envelope is not provided in package.
<input type="checkbox"/>	Uniform Underwriting and Transmittal Summary (1008), FHA Loan Underwriting and Transmittal Summary (HUD 92900-LT) or VA Loan Analysis as applicable for the new loan (Must be signed by underwriter and include CHUMS # for FHA Loans)
<input type="checkbox"/>	Uniform Residential Loan Application (1003) [Signed by borrower(s)]
<input type="checkbox"/>	Borrower Available Funds Affidavit
<input type="checkbox"/>	Borrower's most recent mortgage account statement for existing 1st mortgage loan
<input type="checkbox"/>	Preliminary Title Report
<input type="checkbox"/>	Non-Refundable \$150 Processing Fee (See Below)

Resubordination requests will be reviewed for final approval upon receipt of a completed package, which contains all the required documents. Delivery of incomplete and/or fraudulent information may result in processing delays.

Note: This checklist represents the minimum documents required for CalHFA approval. Other documents may be required by underwriter/reviewer.

Resubordination Processing Fee: A non-refundable processing fee of \$150 is due at time of submission. ONLY CERTIFIED FUNDS WILL BE ACCEPTED. Include the check along with the Check Submission Form and send to:

Mail:

California Housing Finance Agency
Single Family—Accounting MS930
P O Box 4034
Sacramento CA 95812-4034

Overnight Courier:

California Housing Finance Agency
Single Family—Accounting MS930
500 Capitol Mall, Suite 400
Sacramento CA 95814



CalHFA Loan ID: _____

Borrower Available Funds Affidavit

I, _____, and I, _____, as current borrower(s) of a home mortgage down payment assistance (DPA) loan(s) in the original principal amount totaling \$_____, pursuant to the Mortgage Loan Program of the California Housing Finance Agency (CalHFA), have applied for a new First Mortgage Home Loan, do hereby represent and warrant that (I/we) have insufficient funds to pay off the CalHFA DPA Loan(s) as of the closing date of the new First Mortgage Home Loan. At time of this signing, (I/we) do not have funds equal to the total balance (principal and interest) of the CalHFA DPA loan(s) plus three months of my/our new first mortgage loan payment amount.

(I/We) declare under penalty of perjury that the foregoing is true and correct.

Signature of Borrower

Date

Signature of Borrower

Date



Resubordination Check Submission Form

Complete the information below and submit with your certified check in the amount of \$150 made payable to California Housing Finance Agency.

CalHFA Loan # (if available) _____

Borrower(s) Name(s) _____

Property Address _____

Enclosed: \$150 certified check (non-refundable fee)

Make certified check payable to California Housing Finance Agency and send to:

Mail:

California Housing Finance Agency
Single Family—Accounting MS930
P O Box 4034
Sacramento CA 95812-4034

Overnight Courier:

California Housing Finance Agency
Single Family—Accounting MS930
500 Capitol Mall, Suite 400
Sacramento CA 95814